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## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

**[A-570-028]**

### **Hydrofluorocarbon Blends from the People's Republic of China: Preliminary Results of the Antidumping Duty Administrative Review and Preliminary Determination of No Shipments; 2016-2017**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) preliminarily determines that sales of hydrofluorocarbon blends (HFCs), from the People's Republic of China (China) have been made below normal value (NV). We invite interested parties to comment on these preliminary results.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Manuel Rey, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, N.W., Washington, DC 20230; telephone: (202) 482-5518.

#### Background

Commerce is conducting an administrative review of the antidumping duty order on HFCs from China.<sup>1</sup> The notice of initiation of this administrative review was published on

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<sup>1</sup> See *Hydrofluorocarbon Blends from the People's Republic of China: Antidumping Duty Order*, 81 FR 55436 (October 16, 2017) (*Order*).

October 16, 2017.<sup>2</sup> This review covers 12 producers and/or exporters of the subject merchandise. Commerce selected two exporters for individual examination (*i.e.*, T.T. International Co., Ltd. (TTI); and Weitron International Refrigeration Equipment (Kunshan) Co., Ltd. (Weitron)). The period of review (POR) is February 1, 2016, through July 31, 2017.

In April 2018, we extended the preliminary results of this review to no later than September 4, 2018.<sup>3</sup>

## **SUPPLEMENTARY INFORMATION:**

### Scope of the Order

The products subject to this order are HFC blends. HFC blends covered by the scope are R-404A, a zeotropic mixture consisting of 52 percent 1,1,1 Trifluoroethane, 44 percent Pentafluoroethane, and 4 percent 1,1,1,2-Tetrafluoroethane; R-407A, a zeotropic mixture of 20 percent Difluoromethane, 40 percent Pentafluoroethane, and 40 percent 1,1,1,2-Tetrafluoroethane; R-407C, a zeotropic mixture of 23 percent Difluoromethane, 25 percent Pentafluoroethane, and 52 percent 1,1,1,2-Tetrafluoroethane; R-410A, a zeotropic mixture of 50 percent Difluoromethane and 50 percent Pentafluoroethane; and R-507A, an azeotropic mixture of 50 percent Pentafluoroethane and 50 percent 1,1,1-Trifluoroethane also known as R-507. The foregoing percentages are nominal percentages by weight. Actual percentages of single

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<sup>2</sup> See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 82 FR 48051 (October 16, 2017) (*Initiation Notice*).

<sup>3</sup> See Memorandum, “Hydrofluorocarbon Blends from the People’s Republic of China: Extension of Deadline for Preliminary Results of Antidumping Duty Administrative Review,” dated April 13, 2018. In this memorandum, we noted that Commerce exercised its discretion to toll all deadlines affected by the closure of the Federal Government from January 20 through January 22, 2018. See Memorandum, “Deadlines Affected by the Shutdown of the Federal Government,” dated January 23, 2018. As a result, the revised deadline for the preliminary results became September 4, 2018.

component refrigerants by weight may vary by plus or minus two percent points from the nominal percentage identified above.<sup>4</sup>

#### Preliminary Determination of No Shipments

Based on our analysis of CBP information and information provided by the companies, we preliminarily determine that Daikin Fluorochemicals (China) Co., Ltd. and Zhejiang Yonghe Refrigerant Co., Ltd. had no shipments of subject merchandise during the POR. In addition, Commerce finds that, consistent with its assessment practice in non-market economy (NME) cases, it is appropriate not to rescind the review in part in these circumstances, but to complete the review with respect to these two companies and issue appropriate instructions to CBP based on the final results.<sup>5</sup> For additional information regarding this determination, *see* the Preliminary Decision Memorandum.

#### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(B) of the Tariff Act of 1930, as amended (the Act). We calculated export prices for the sole participating mandatory respondent, TTI, in accordance with section 772 of the Act. Because China is an NME country within the meaning of section 771(18) of the Act, we calculated NV for TTI in accordance with section 773(c) of the Act.

For a full description of the methodology underlying our conclusions, *see* the Preliminary Decision Memorandum. The Preliminary Decision Memorandum is a public document and is on

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<sup>4</sup> For a complete description of the scope of the order, *see* Memorandum, “Decision Memorandum for the Preliminary Results of the 2016-2017 Antidumping Duty Administrative Review of Hydrofluorocarbon Blends from the People’s Republic of China,” issued concurrently with and hereby adopted by this notice (Preliminary Decision Memorandum).

<sup>5</sup> *See Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694, 65694-95 (October 24, 2011) and the “Assessment Rates” section, below.

file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be found at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Preliminary Decision Memorandum are identical in content. A list of the topics discussed in the Preliminary Decision Memorandum is attached as an Appendix to this notice.

#### Rate for Non-Examined Companies Which Are Eligible for a Separate Rate

As indicated in the "Preliminary Results of Review" section below, we preliminarily determine that a weighted-average dumping margin of 283.63 percent applies to the three firms not selected for individual review which are eligible for a separate rate. For further information, *see* the Preliminary Decision Memorandum at "Separate Rate Assigned to Non-Selected Companies."

#### Preliminary Results of Review

Six companies involved in the administrative review, including the mandatory respondent Weitron, did not demonstrate that they are entitled to a separate rate.<sup>6</sup> Therefore, we preliminarily find these companies to be part of the China-wide entity.<sup>7</sup> The rate previously established for the China-wide entity is 216.37 percent.

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<sup>6</sup> These six companies are: 1) Arkema Daikin Advanced Fluorochemicals (Changsu) Co., Ltd.; 2) Dongyang Weihua Refrigerants Co., Ltd.; 3) Sinochem Environmental Protection Chemicals (Taicang) Co., Ltd.; 4) Weitron; 5) Zhejiang Lantian Environmental Protection Fluoro Material Co. Ltd.; and 6) Zhejiang Quzhou Lianzhou Refrigerants Co., Ltd.

<sup>7</sup> *See* Preliminary Decision Memorandum, at "Companies Not Receiving a Separate Rate." Pursuant to Commerce's change in practice, Commerce no longer considers the NME entity as an exporter conditionally subject to administrative reviews. *See Antidumping Proceedings: Announcement of Change in Department Practice for Respondent Selection in Antidumping Duty Proceedings and Conditional Review of the Nonmarket Economy Entity in NME Antidumping Duty Proceedings*, 78 FR 65963, 65970 (November 4, 2013). Under this practice, the NME

We preliminarily determine that the following weighted-average dumping margins exist for the period February 1, 2016, through July 31, 2017:

<b>Exporter</b>	<b>Weighted-Average Dumping Margin (percent)</b>
T.T. International Co., Ltd.	283.63
Shandong Huaan New Material Co., Ltd.*	283.63
Zhejiang Sanmei Chemical Industry Co. Ltd.*	283.63
Zhejiang Yonghe Refrigerant Co., Ltd.*	283.63

\* This company was not selected as a mandatory respondent but is subject to this administrative review and demonstrated that it qualified for a separate rate during the POR.

#### Disclosure and Public Comment

Commerce intends to disclose calculations performed in connection with these preliminary results to interested parties within five days of the date of publication of this notice.<sup>8</sup> Interested parties may submit case briefs to Commerce no later than seven days after the date of the final verification report issued in this administrative review. Rebuttals briefs, limited to issues raised in the case briefs, may be filed no later than five days after the time limit for filing case briefs.<sup>9</sup> Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: 1) a statement of the issue; 2) a brief summary of the argument; and 3) a table of authorities.<sup>10</sup>

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entity will not be under review unless a party specifically requests, or Commerce self-initiates, a review of the entity. Because no party requested a review of the entity, the entity is not under review and the entity's rate is not subject to change.

<sup>8</sup> See 19 CFR 351.224(b).

<sup>9</sup> See 19 CFR 351.309(d).

<sup>10</sup> See 19 CFR 351.309(c)(2) and (d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically via ACCESS. An electronically-filed document must be received successfully in its entirety by ACCESS by 5 p.m. Eastern Time within 30 days after the date of publication of this notice.<sup>11</sup> Hearing requests should contain: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Issues raised in the hearing will be limited to issues raised in the briefs.<sup>12</sup> If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.<sup>13</sup>

Commerce intends to issue the final results of this administrative review, including the results of its analysis raised in any written briefs, not later than 120 days after the publication date of this notice, pursuant to section 751(a)(3)(A) of the Act, unless otherwise extended.<sup>14</sup>

#### Assessment Rates

Upon completion of the administrative review, Commerce shall determine, and U.S. Customs and Border Protection (CBP) shall assess, antidumping duties on all appropriate entries.

For TTI, we will calculate importer- (or customer-) specific *ad valorem* duty assessment rates based on the ratio of the total amount of dumping calculated for each importer's (or customer's) examined sales to the total entered value of those sales, in accordance with 19 CFR 351.212(b)(1). Where either the respondent's weighted-average dumping margin is zero or *de minimis* within the meaning of 19 CFR 351.106(c)(1), or an importer- (or customer-) specific

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<sup>11</sup> See 19 CFR 351.310(c).

<sup>12</sup> *Id.*

<sup>13</sup> See 19 CFR 351.310(d).

<sup>14</sup> See section 751(a)(3)(A) of the Act.

rate is zero or *de minimis*, we will instruct CBP to liquidate the appropriate entries without regard to antidumping duties. We intend to instruct CBP to take into account the “provisional measures deposit cap,” in accordance with 19 CFR 351.212(d).

Pursuant to Commerce’s assessment practice, for entries that were not reported in the U.S. sales data submitted by TTI, we will instruct CBP to liquidate such entries at the China-wide rate. Additionally, if we determine that an exporter had no shipments of the subject merchandise, any suspended entries that entered under that exporter’s case number (*i.e.*, at that exporter’s cash deposit rate) will be liquidated at the China-wide rate.<sup>15</sup>

For the respondents which were not selected for individual examination in this administrative review and which qualified for a separate rate, the assessment rate will be equal to the weighted-average dumping margin determined for the non-examined respondent in the final results of this administrative review. We will also instruct CBP to take into account the “provisional measures deposit cap” in accordance with 19 CFR 351.212(d).

For the final results, if we continue to treat the six exporters preliminarily found not to qualify for separate rates as part of the China-wide entity, we will instruct CBP to apply an *ad valorem* assessment rate of 216.37 percent, the current rate established for the China-wide entity, to all entries of subject merchandise during the POR which were exported by those companies.<sup>16</sup>

We intend to issue assessment instructions to CBP 15 days after the publication of the final results of this review.

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<sup>15</sup> See *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

<sup>16</sup> For a full discussion of this practice, see *Non-Market Economy Antidumping Proceedings: Assessment of Antidumping Duties*, 76 FR 65694 (October 24, 2011).

### Cash Deposit Requirements

The following cash deposit requirements will be effective upon publication of the final results of this administrative review for all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by section 751(a)(2)(C) of the Act: (1) for the exporters listed above which have a separate rate, the cash deposit rate will be equal to the weighted-average dumping margin established in the final results of this review (except, if the rate is zero or *de minimis*, then a cash deposit rate of zero will be established for that company); (2) for previously investigated or reviewed Chinese and non-Chinese exporters not listed above that have separate rates, the cash deposit rate will continue to be equal to the exporter/producer-specific weighted-average dumping margin published for the most recently-completed segment of this proceeding; (3) for all Chinese exporters of subject merchandise that have not been found to be entitled to a separate rate, the cash deposit rate will be the cash deposit rate established for the China-wide entity, 216.37 percent; and (4) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash deposit rate will be the rate applicable to the Chinese exporter that supplied that non-Chinese exporter. These deposit requirements, when imposed, shall remain in effect until further notice.

### Notification to Importers

This notice also serves as a preliminary reminder to importers of their responsibility under 19 CFR 351.402(f) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.



Notification to Interested Parties

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1), and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: August 31, 2018.

**Gary Taverman,**

*Deputy Assistant Secretary*

*for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.*

## Appendix

### List of Topics Discussed in the Preliminary Decision Memorandum

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### 5. Recommendation

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